

**Testimony of Brad Doyle
President
American Soybean Association**

Before the U.S. House Committee on Agriculture

"A 2022 Review of the Farm Bill: Commodity Group Perspectives on Title 1"

March 1, 2022

Good morning, Chairman Scott, Ranking Member Thompson, and distinguished members of the committee. Thank you for the opportunity to provide testimony on Title I of the 2018 Farm Bill.

I am a soybean farmer from Arkansas and serve as president of the American Soybean Association (ASA).

Founded in 1920, ASA represents more than 500,000 U.S. soybean farmers on domestic and international policy issues important to the soybean industry and has 26 affiliated state associations representing the 30 primary soybean-producing states.

Soybean Economic Impacts

The U.S. soybean industry has a positive impact on the U.S. economy.

In 2021, over 87 million acres were planted to soybeans in the United States with a record-high production total of 4.44 billion bushels according to USDA.

Soybean production alone accounts for close to 150,000 jobs (full-time soy equivalent), more than \$6 billion in wages and \$86.5 billion in revenues, according to a 2019 study by the United Soybean Board and National Oilseeds Processors Association. This does not include secondary soybean markets and supporting industries like biodiesel, grain elevators, feed mills, ports, rail, refining, barge and more, which brings soybean's national revenue impacts to a significant \$115.8 billion. New markets and new uses for soy continue to develop thanks to farmer investments in research and promotion by the soybean checkoff and federal investment in market development programs.

Soybeans have long been U.S. agriculture's top export crop. Foreign markets were destinations for more than 50% of U.S. soy production in the last marketing year. Even with ongoing efforts to diversify and open new markets, our commercial export relationship with China is critically important, as it is the largest importer of soybeans in the world. Almost a third of all soybeans grown in the United States are destined for China under normal trade conditions.

In addition to a steady supply of production inputs and predictable regulatory environment, we rely on domestic and global markets for the success of soybean farmers.

When those markets fail or when significant economic disruptions occur, we rely on policymakers to ensure that a supportive farm safety net is in place.

Farmer Feedback-Gathering Process

Each year, ASA sets the annual policy priorities of the organization through a thorough resolutions review and adoption process. This process is currently underway and will culminate in a session of voting delegates at our annual meeting during the Commodity Classic farm trade show next week. Feedback regarding Title I has been received through this process.

In addition, ASA has recently taken greater steps to gather farmer feedback in preparation for development of the next farm bill.

Since early 2022, ASA has held 12 virtual farm bill listening sessions – both by region and by topic - with interested soybean farmers and state soy affiliates across soy's 30-state growing region. An in-depth farm bill survey was administered to soybean growers in late 2021. And, ASA has a farm bill-specific email address set up for those interested in sharing additional written feedback.

Farm bill feedback gathered from these steps will be developed into a set of farm bill principles and shared this spring with the committee.

Title I Feedback From Farmers: Improvements Are Needed

While crop insurance is not a part of Title I, ASA must share for the record the high importance of crop insurance to soybean farmers. Soybean farmers consistently communicate that this is the most effective component of the farm safety net when viewed more broadly. This risk management tool allows farmers to elect coverage annually based on their own risk tolerance and responds accordingly when losses are triggered. Crop insurance must remain affordable for producers.

While crop insurance provides a safety net for risk within a growing season, it does not protect against longer-term structural risks. Title I is intended to do this, but the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs, specifically, need improvements to provide the intended protection. An effective soybean safety net does not exist today.

As noted earlier, China is a significant importer of soybeans, importing almost one in three rows of soybeans produced in the United States. During the height of the China trade war in 2018, U.S. soy stopped flowing to the market during the peak export period that fall. Soybean prices fell by about 20%, but the producers of the crop received no PLC payments and little from ARC under the Title I safety net. USDA stepped in with ad hoc, temporary support to farmers through the Market Facilitation Program (MFP).

The example above provides context to what we are hearing from farmers. They have consistently shared two deficiencies regarding the Title I farm safety net programs of ARC and PLC:

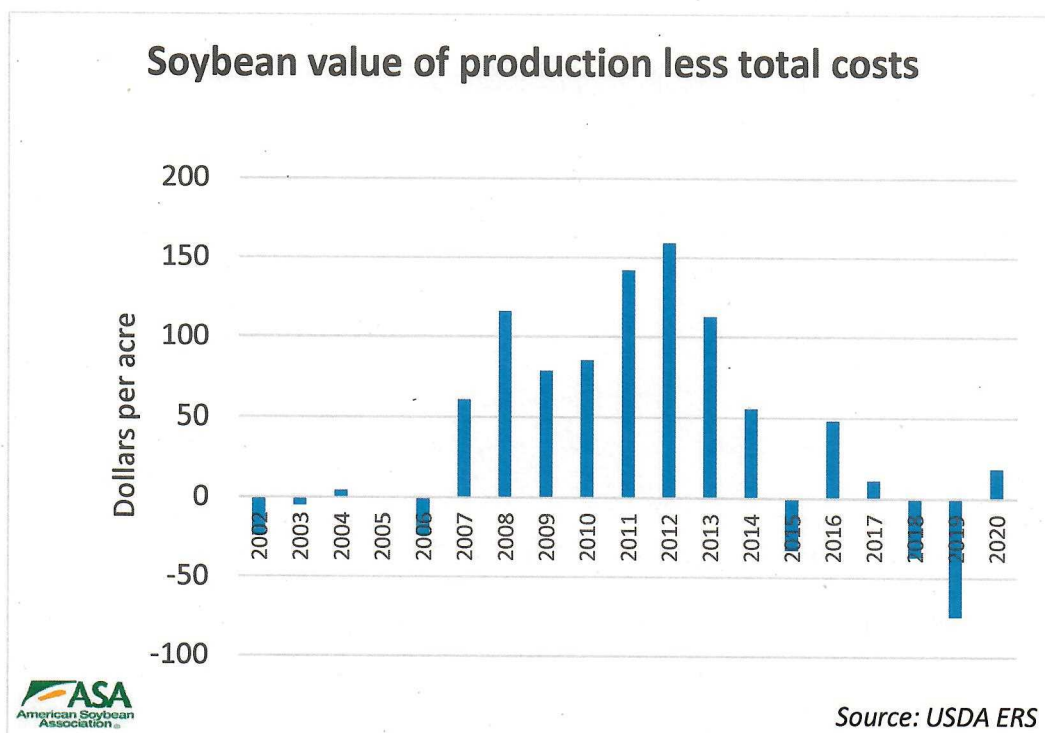
- 1) Soybeans have an insufficient reference price, on which ARC and PLC benefits are calculated.
- 2) Soybeans have a low level of base acres, the historical acreage on which ARC and PLC benefits are provided, relative to planted acres.

When survey respondents were provided options to improve the Title I farm safety net for soybeans, the leading two selections were related to those concerns; specifically, 1) increase the soybean reference price for calculating ARC and PLC, and 2) provide the option to update base acres.

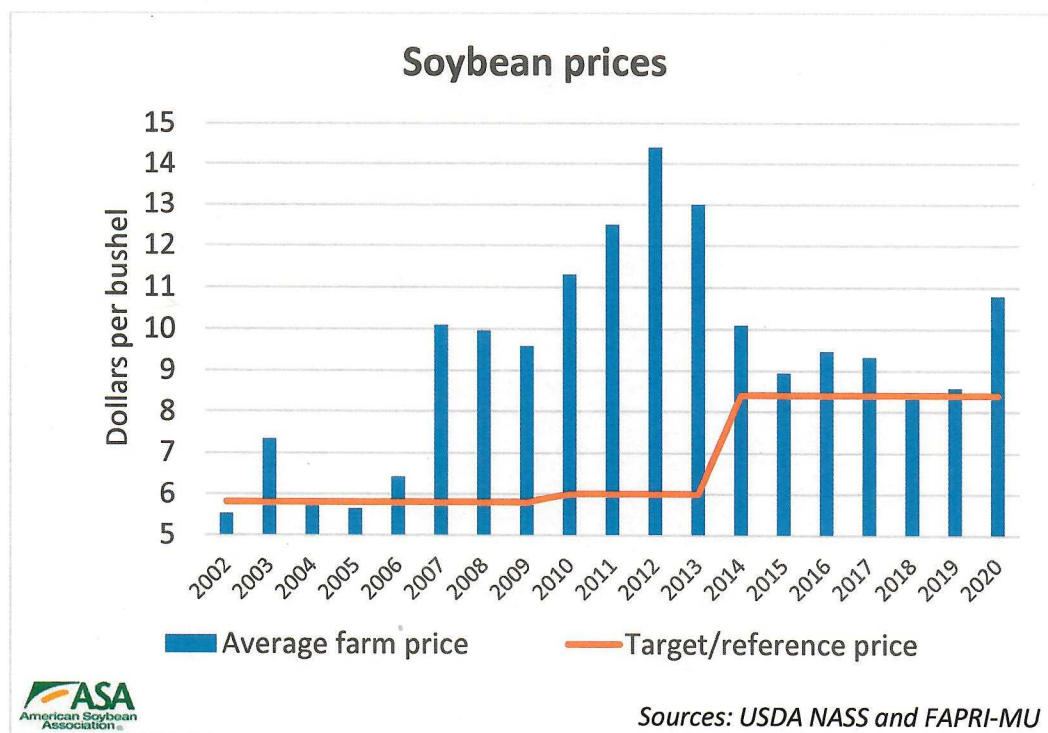
Importantly, farmer feedback also suggests that a combination of remedies to address these deficiencies is needed. For example, if an option to update base acres is allowed, it may not be exercised if the reference price for soybeans remains where it is currently set.

Soybean Reference Price: Increase Is Needed

Farm safety nets are not created for the good times, but instead the bad times. Currently, we are experiencing strong soybean market prices, but agriculture is cyclical. An effective safety net is needed for the times when prices decline. During the trade war, soybean farmers experienced negative margins for their crop. USDA's Economic Research Service estimated it cost soybean farmers \$37 more per acre in 2018 to produce than was received from the sale of the crop and \$74 more in 2019.



If there were ever a time that the farm safety net was designed for, it was the trade war in 2018 and 2019. Factors well outside farmers' control structurally shifted, collapsing much of the demand for U.S. soybeans. Despite a large drop in the price producers were receiving which resulted in negative margins, the reference price for determining Title I benefits was set at such a low point that PLC payments never triggered. In fact, 2005 is the last time a PLC or CCP payment - the predecessor program - was triggered for soybeans.



Support prices were increased starting with the 2014 Farm Bill, but this price increase did not fully reflect the increased operating costs. While prices during the trade war remained above those from the early 2000s, a higher price is necessary to offset the higher cost of inputs. According to data from the Food and Agricultural Policy Research Institute at the University of Missouri (FAPRI-MU), operating costs have approximately doubled during this time. As a result, farmers experienced significant losses and received few ARC payments and no PLC payments. If soybeans, the second-largest crop by area in the U.S., did not receive help through Title I during this critical situation, it is hard to imagine a scenario where the Title I safety net could provide meaningful help with the current reference price.

Soybean Base Acres: Option to Update Base Acres Is Needed

The data clearly demonstrates the disparity in soybean planted acres compared to base acres, the historical acreage on which ARC and PLC benefits are provided.

In 2021, soybeans were planted on over 87 million acres in the United States. By comparison, soybean base totals 52.5 million acres. 34.5 million acres of planted soybean acres were not protected by the soybean provisions of ARC and PLC in 2021. While some of these 34.5 million soybean acres may have been corn or wheat base, for example, farmers' concerns are very real and important to share with you. These other crops may not correlate well with the losses being experienced on the farm.

ASA's farm bill survey results showed that 84% of respondents would like the option to update base acres, and less than 5% oppose the option. Commentary shared throughout our listening sessions includes these scenarios:

- A young, beginning farmer who has only 10% base acres on his or her farm, providing little access to the ARC/PLC farm safety net.
- Greater adoption of no-till conservation practices has enabled farmers to cultivate row crops in new areas that have no base.
- Small farmers have transitioned out of tobacco production and have no crop base.
- Farmers have exited the dairy business and moved into production of other crops.
- Farmers have lost cropland to residential or industrial development and sought other areas to cultivate.

To be clear, ASA supports maintaining planting flexibility and the approach of decoupling acreage to ensure compliance with trade commitments. Providing farmers an option to update base acres in a trade-compliant manner can be achieved.

Additional Title I Farmer Feedback

Although our testimony has focused on two specific areas of concern regarding the Title I farm safety net, we share with the committee additional feedback on needs:

- Clear direction that if a standing disaster assistance program is created, the financial protection provided by Title I programs and crop insurance should not be reduced to fund the disaster program.
- Support for review of Farm Service Agency staffing and information technology (IT) capabilities in advance of eventual farm bill implementation. Of note, this applies to USDA more broadly as well to ensure implementation readiness.
- Support for modernizing IT systems to better allow farmers to share data and access programs.
- Support for the option to update program yields.
- Support for allowing ARC payments to trigger more easily.
- Support for the ARC cap on payments from the current 10% of the benchmark.
- Support for reviewing marketing loan rates.
- Support for increasing payment limits.
- Opposition to eligibility restrictions based on farmer size.

Conclusion

Thank you again for this opportunity to share the American Soybean Association, and in turn our farmers', views on Title I farm programs.

The soybean industry stands ready to work with the committee in crafting a farm safety net that is effective for soybean farmers.

S. Brad Doyle

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Education

Bachelor of Science in Agricultural Business, Dec. 1995
Arkansas State University College of Agriculture-Jonesboro

Master of Science in Agronomy, Dec. 2001
Arkansas State University College of Agriculture-Jonesboro

Employment

Berger Farms/Eagle Seed Company, Jan. 2001-present
Mid-South Ag Consultants, Inc., May 1995-Dec. 2000
University of Arkansas Cooperative Extension Service, May 1991-September 1995

Skills and Duties

I started my career in agriculture as a cotton scout and became a cotton scout supervisor for the Crittenden County University of Arkansas Cooperative Extension Service. My duties were to visit farmer fields and search for insects, disease, weeds, and any other plant stress as well as pull petiole and soil samples. Our weekly field inspections were reported to the farmers for further recommendations of nutrient, growth regulator, or pesticides if needed. My role as a crop consultant starting in May of 1995 allowed me to make all agronomic recommendations to farmers on all of the major crops grown in Arkansas such as cotton, rice, corn, grain sorghum, peanuts, and winter wheat. In addition to walking farmer's fields weekly, we took leaf tissue and soil samples for nutrient analysis. Part of my role was to maintain contact with all product representatives and advise on the most recent technology helping farmers maintain profitability. My role at Berger Farms/Eagle Seed has allowed me to further my passion for agriculture and reach out to customers in the US and around the world. I oversee the sales of all types of seeds with an emphasis on the crops we grow, soybeans, rice, and wheat. I consult customers on all types of agronomic questions and give recommendations on seed varieties, pest management, and fertility. I also manage our soybean breeding and research farm from planting through harvest. Extensive planning goes into our research, and I spend a lot of time at the computer analyzing results and in the field taking agronomic notes. In addition to sales and research, I also coordinate what types and varieties of seed we grow on our family farm for seed production. I oversee the daily operations of cleaning, conditioning, bagging, and storage of seed, while maintaining a safe, friendly working environment. I operate all types of farm equipment, forklifts, and grain trucks as we handle all of our own seed in grain bins and warehouses.

Organizations and Leadership Roles

American Soybean Association Board of Directors, 2016-present (currently serving as president)
Arkansas Soybean Association Board of Directors, 2010-present (3 years as president)
CME Group Agriculture Markets Advisory Council, Jan. 2022-present
Natural Soybean and Grain Alliance Board of Directors, Jan. 2015-present
Arkansas Seed Dealers Association Board of Directors, Jan. 2012-Dec. 2015
ASSET Foundation Board of Directors, Jan. 2017-present

Arkansas Discovery Farm Stakeholder Board of Directors, Apr. 2010-present (past co-chair)
USA Rice Trade Promotion Committee
Poinsett County Ag Advisory Board of Directors, June 2010-present
Poinsett County Farm Bureau Board of Directors, 2012-present (current president)
Mid-South Soybean Promotion Board of Directors, 2016-present (vice chair)
Southwest Soybean Council Committee, 2014-2016 (chairman)
Arkansas Wheat Growers Committee, 2014-present (chairman)
Commodity Classic Trade Show JV Committee, 2018-present (4-year appointment)
Poinsett County Young Farmer and Rancher Committee, 2012-present (chairman)

Awards and Leadership Training

American Soybean Association DuPont Young Leader Program, 2009
Arkansas Farm Bureau Stanley E. Reed Leadership Award, 2017
American Soybean Association Recruiter of the Year, 2012
Arkansas Soybean Association Recruiter of the Year, 2016
Syngenta Leadership At Its Best, 2010
University of Arkansas Research Fellowship, 2002-2005
USA Rice Foundation Leadership Program, Class of 2018-2020 (3-year program)
National Cotton Council Multi-Commodity Education Program, Texas, 2009
United Soybean Board See for Yourself Program MO, IA, IL, 2017
United Soybean Board REAP Tour, South Dakota, 2009
American Soybean Association Soybean College, 2010, 2011, 2012, 2013
American Soybean Association DuPont Young Leader Program speaker, 2010, 2011
US Soybean Export Council Soybean Buyers Outlook Conference speaker, Taipei, Taiwan, 2017
US Soybean Export Council Soybean Buyers Outlook Conference speaker, Tokyo, Japan, 2017
US Soybean Export Council 9th Regional Aquafeed Forum speaker, Ho Chi Minh City, Vietnam, 2017
US Soybean Export Council Soybean Buyers Outlook Conference speaker, Seoul, South Korea, 2018
US Soybean Export Council Soybean Buyers Outlook Conference speaker, Shanghai, China, 2018
US Soybean Export Council 13th China Intl. Oils and Oilseeds Conference speaker, Guangzhou, China, 2018
Arkansas Farm Bureau President's Leadership Council, 2016
American Soybean Association Advocacy Communication Team, 2017-present
Arkansas Grow for the Green Soybean Yield Contest committee member, 2010-present

Truth in Testimony Disclosure Form

In accordance with Rule XI, clause 2(g)(5)* of the *Rules of the House of Representatives*, witnesses are asked to disclose the following information. Please complete this form electronically by filling in the provided blanks.

Committee: Agriculture

Subcommittee: _____

Hearing Date: 03/01/2022

Hearing Title :

"A 2022 Review of the Farm Bill: Commodity Group Perspectives on Title 1"

Witness Name: Brad Doyle

Position/Title: Farmer

Witness Type: ☐ Governmental ☒ Non-governmental

Are you representing yourself or an organization? ☐ Self ☒ Organization

If you are representing an organization, please list what entity or entities you are representing:

American Soybean Association, President

FOR WITNESSES APPEARING IN A NON-GOVERNMENTAL CAPACITY

Please complete the following fields. If necessary, attach additional sheet(s) to provide more information.

Are you a fiduciary—including, but not limited to, a director, officer, advisor, or resident agent—of any organization or entity that has an interest in the subject matter of the hearing? If so, please list the name of the organization(s) or entities.

None

Please list any federal grants or contracts (including subgrants or subcontracts) related to the hearing's subject matter that you, the organization(s) you represent, or entities for which you serve as a fiduciary have received in the past thirty-six months from the date of the hearing. Include the source and amount of each grant or contract.

None

Please list any contracts, grants, or payments originating with a foreign government and related to the hearing's subject that you, the organization(s) you represent, or entities for which you serve as a fiduciary have received in the past thirty-six months from the date of the hearing. Include the amount and country of origin of each contract or payment.

None

Please complete the following fields. If necessary, attach additional sheet(s) to provide more information.

- ☒ I have attached a written statement of proposed testimony.
- ☐ I have attached my curriculum vitae or biography.

*Rule XI, clause 2(g)(5), of the U.S. House of Representatives provides:

(5)(A) Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof.

(B) In the case of a witness appearing in a non-governmental capacity, a written statement of proposed testimony shall include— (i) a curriculum vitae; (ii) a disclosure of any Federal grants or contracts, or contracts, grants, or payments originating with a foreign government, received during the past 36 months by the witness or by an entity represented by the witness and related to the subject matter of the hearing; and (iii) a disclosure of whether the witness is a fiduciary (including, but not limited to, a director, officer, advisor, or resident agent) of any organization or entity that has an interest in the subject matter of the hearing.

(C) The disclosure referred to in subdivision (B)(iii) shall include— (i) the amount and source of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) related to the subject matter of the hearing; and (ii) the amount and country of origin of any payment or contract related to the subject matter of the hearing originating with a foreign government.

(D) Such statements, with appropriate redactions to protect the privacy or security of the witness, shall be made publicly available in electronic form 24 hours before the witness appears to the extent practicable, but not later than one day after the witness appears.